
FISCAL UPDATE Article

Fiscal Services Division

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AUDIT REPORT — CLARINDA COMMUNITY SCHOOL DISTRICT

Audit Report. The Auditor of State published an audit report on the special investigation of bank accounts related to student activities held separately from Clarinda Community School District for activities occurring within the District.

The audit procedure found 10 bank accounts housed outside the umbrella of the school district; six were unauthorized. The Auditor identified \$48,541.78 improperly deposited into these accounts, and \$57,594.89 in disbursements from the accounts, \$20,998.49 of which was either improper or unsupported.

Findings and Recommendations. The audit report contained six primary findings and related recommendations.

- Separately maintained bank accounts. There were six bank accounts which were not included in the District's financial statements but were comprised of District funds. The Auditor recommended that the District create procedures in which the School Board reviews and approves all bank accounts prior to their establishment.
- Unauthorized fundraisers. The Auditor found evidence of fundraisers that had not received prior approval by the Athletic Director, as required by District procedures. The Auditor recommended that the District ensure that all fundraisers are properly approved and that all activity sponsors are aware of the policy.
- Disbursements. The Auditor found that disbursements were not always supported by invoices or other documentation and not always approved by the Club or the District, and some disbursements were made using a debit card or cash withdrawal. The Auditor recommended that all disbursements receive approval and that all disbursements be made via check.
- Receipts. The Auditor found that receipts were not consistently issued for collections, and that other supporting documentation was not maintained or was incomplete. The Auditor recommended that the District ensure sufficient supporting documentation is maintained and that an independent person reconcile the amount deposited into accounts.
- Endorsement of checks. The District should ensure that all checks issued to the District and endorsed by the District are correctly deposited.
- Non-District bank accounts. The Auditor recommends that District employees should not be involved in the administration of non-District bank accounts, in order to maintain a clear distinction between District activities and non-District activities.

Other Information. The Department of Education recently updated its "Frequently Asked Questions (FAQs) Regarding Student Activity Funds" page to reflect that generally, individuals should not establish separate checking accounts for activity fund deposits. If it is necessary for an activity fund to have an individual checking account, this account should be set up through the school district's business manager. The full audit report is available [here](#).

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